

Central Intelligence Agency

86-1584X



Washington, D.C. 20505

*AG note to
Russ substituted*

Mr. Arnold Donahue
Chief, Intelligence Branch
National Security Division
Office of Management and Budget
Washington, D.C. 20503

Dear Arnie:

Pursuant to the discussions between Russ Neely and representatives from my staff and the Office of Personnel on 28 July 1986 concerning our new Secretarial Career System, I am forwarding a copy of the Director of Central Intelligence's testimony before the Senate Select Committee on Intelligence. As you will see from this testimony, the Director is intent upon making changes to our personnel system which will better enable us to attract, retain, and reward the high caliber employees we require to carry out our mission.

During our meeting with Russ, we advised him that we were considering undertaking a redesign of our current position classification and pay system. Since that meeting, we have contracted with the consulting firm of Towers, Perrin, Forster and Crosby to begin the process of developing a new simplified, internally consistent position classification system and a new pay-for-performance and total compensation system which will better enable us to reward our best performers. As part of this process, we will shortly begin a job analysis of 35 selected Agency occupations which we will use to identify the compensable factors in Agency jobs. From this analysis, we intend to develop a position classification system which is applicable to all Agency jobs. Any new pay system which we develop to support our pay-for-performance program will continue to be linked to other Federal pay systems and will be designed so that it can be budget neutral. The overall project to review current practices and develop new policies is expected to take approximately two years, as the Director has outlined in his testimony.

As you are aware, we have been experimenting for nearly two years with a pay-for-performance system modeled after the grade banding experiment being conducted by Navy in its West Coast laboratories. The lessons we are learning from this experiment, and the principles which are emerging from ongoing

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Mr. Arnold Donahue

legislative initiatives with regard to the Civil Service will certainly be considerations. We will keep you advised throughout the process of reviewing our policy direction so that you may anticipate any changes we may wish to make.

Sincerely,

Daniel A. Childs, Jr.
Comptroller

Enclosures

STAT OP/PAGE/PMC [redacted] (10 Sept 86)

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